BOARD MEMBERS PRESENT:

Linda Rivas, Vice Chair
Roberto L. Jimenez, M.D., Immediate Past Chair
Robert Engberg
Ira Smith

BOARD MEMBERS ABSENT:

James R. Adams, Chair
Rebecca Q. Cedillo, Secretary
Alex Briseño

OTHERS PRESENT:

George B. Hernández, Jr. President/Chief Executive Officer, University Health System
Bryan Alsip, M.D., Executive Vice President/Chief Medical Officer, University Health System
Peggy Deming, Executive Vice President/Chief Financial Officer, University Health System
Michael Hernandez, Vice President/Chief Legal Officer, University Health System
Leni Kirkman, Vice President, Corporate Communications & Patient Relations, University Health System
Christann Vasquez, Executive Vice President/Chief Operating Officer, University Health System
Ernesto Gomez, Ph.D., President/CEO, CentroMed
And other attendees.

MEMBERS OF THE PRESS: Don Finley, San Antonio Express-News

CALL TO ORDER AND RECORD OF ATTENDANCE: LINDA RIVAS, VICE-CHAIR, BOARD OF MANAGERS

Ms. Rivas called the meeting to order at 3:05 p.m.
INVOCATION AND PLEDGE OF ALLEGENCE:

Mr. Ira Smith led the invocation and Ms. Rivas led the pledge of allegiance.

NEW BUSINESS: ITEMS RELATED TO 2012 TAX RATE RECOMMENDATION TO BEXAR COUNTY COMMISSIONERS COURT:

DISCUSSION AND APPROPRIATE ACTION REGARDING FUNDING OF ENHANCEMENTS TO THE CAPITAL IMPROVEMENT PROJECT AND THE FUNDING OF OTHER CAPITAL ITEMS—MARK WEBB/PEGGY DEMING

SUMMARY: Staff presented their recommendation to maintain the existing total tax rate of $0.276235 for 2013. This recommendation will support the required debt service payments in 2013 with a rate of $0.041298 and operations at a rate of $0.234937. The operating tax rate was computed as the difference from the total existing tax rate of $0.276235 and the required debt service rate of $0.041298. The recommended total tax rate is lower than the published total effective tax rate of $0.277040 by $0.000805 or 0.29%.

The recommended total tax rate for 2013 yields a projected $285.8 million. This is higher than in 2012 by $4.1 million due to the $1.8 billion in new properties added to the tax roll in 2012. Staff is committed to producing a 2013 operating, debt service and capital budget that is balanced given this level of tax support.

Ms. Deming compared the existing tax rate with the 2013 proposed tax rate and also compares the 2013 projected net taxes with the 2012 net taxes. Ms. Deming provided details of the calculation of the tax rate and projected net collections. She also demonstrated the impact to the average tax payer per $100,000 home valuation, reporting that the Average Home Value of $144,161 had declined $362 or by 0.25 percent.

RECOMMENDATION: Staff recommends to the Board of Managers that it request Bexar County Commissioners Court set the 2012 total tax rate in support of University Health System operating, debt service and capital requirements for 2013 at the existing total tax rate $0.276235 per $100 property valuation.

ACTION: A MOTION to approve staff’s recommendations was made by Mr. Engberg, SECONDED by Dr. Jimenez, and PASSED UNANIMOUSLY.

EVALUATION: Mr. Engberg commended staff for taking a responsible approach. On behalf of the Board, he expressed confidence that staff will achieve a break even budget from operations for 2013.

FOLLOW-UP: Next steps in tax rate approval process include scheduling a presentation to Bexar County Commissioners Court. At this time, we are tentatively scheduled for a September 4th presentation. Staff will keep the Board of Managers posted.
ADJOURNMENT:

There being no further business, Ms. Rivas adjourned the meeting at 3:25 p.m.

__________________________________ ______________________________
Linda Rivas     Rebecca Q. Cedillo
Vice Chair, Board of Managers   Secretary, Board of Managers

__________________________________
Sandra D. Garcia, Recording Secretary